MINFOCUS EXPLORATION CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIODS ENDED NOVEMBER 30, 2015 AND 2014

(EXPRESSED IN CANADIAN DOLLARS)

UNAUDITED

Management's Responsibility for Financial Statements

The accompanying consolidated financial statements of Minfocus Exploration Corp. (the "Company") are the responsibility of the Directors.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(s) Kenneth de Graaf	*(s) Gavin Cooper*
Act. Chief Executive Officer	Chief Financial Officer

Toronto, Canada

January 26 2016

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Minfocus Exploration Corp.
Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars - unaudited)
As at

	November 30 2015 $	February 28 2015 $
ASSETS		
Current assets		
Cash and cash equivalents (Note 7)	5,427	1,288
Amounts receivable and prepaid expenses	5,625	13,927
Total current assets	11,052	15,215
Equipment (Note 6)	16,628	19,562
Interest in exploration properties and exploration and evaluation expenditures (Note 7)	1,499,648	1,410,547
Total assets	1,527,328	1,445,324
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables (Note 10(b))	292,218	216,851
Loan (Note 10(c))	7,463	118,289
Total liabilities	299,681	335,140
Shareholders' equity		
Issued capital (Note 8)	6,223,549	6,002,245
Equity reserve (Note 8)	322,802	320,106
Deficit	(5,318,704)	(5,212,167)
Total shareholders' equity	1,227,647	1,110,184
Total shareholders' equity and liabilities	1,527,328	1,445,324

Going concern (Note 1)
Commitments and contingencies (Notes 7 and 12)

APPROVED ON BEHALF OF THE BOARD:

(s) Roger Walsh, Director

(s) Kenneth de Graaf, Director

The notes to the consolidated financial statements are an integral part of these statements.

Minfocus Exploration Corp.
Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars - unaudited)

	Three months ended November 30 2015 $	Three months ended November 30 2014 $	Nine months ended November 30 2015 $	Nine months ended November 30 2014 $
General and administrative expenses				
Professional fees	20,010	11,439	36,430	41,722
Office and administrative (Note 10)	16,057	10,620	60,844	60,030
General exploration	-	(1,469)	342	2,875
Depreciation	978	3,580	2,934	-
Interest	1,954	1,693	5,987	3,925
Total general and administrative expenses	38,999	25,863	106,537	108,552
Other expenses				
Write-off of exploration and evaluation properties (Note 7)	-	-	-	358,998
Net loss and comprehensive loss	38,999	25,863	106,537	467,550
Basic and diluted net loss per share (Note 9)	0.00	0.01	0.00	0.01

The notes to the consolidated financial statements are an integral part of these statements.

Minfocus Exploration Corp.

Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars - unaudited)
For the periods ended

	November 30 2015 $	November 30 2014 $
Cash flows from operating activities		
Net loss for the period	(106,537)	(467,550)
Non-cash adjustments:		
Depreciation	2,934	3,580
Write-off of exploration and evaluation properties	-	358,998
Non-cash working capital items:		
Amounts receivable	8,303	(4,463)
Trade and other payables	46,310	20,239
Cash flows from operating activities	(48,990)	(89,196)
Cash flows from financing activities		
Issue of common shares and warrants	44,000	-
Loan	64,174	57,472
Cash flows from financing activities	108,174	57,472
Cash flows from investing activities		
Purchase of equipment	-	(936)
Interest in exploration properties and exploration and evaluation expenditures	(55,045)	(8,174)
Cash flows from investing activities	(55,045)	(9,110)
Net change in cash and cash equivalents	4,139	(40,834)
Cash and cash equivalents, beginning of period	1,288	44,288
Cash and cash equivalents, end of period	5,427	3,454
Cash and cash equivalents consists of:		
Cash	427	3,454
Cash equivalents	5,000	-
	5,427	
Supplemental information:		
Increase/(decrease) in accounts payable attributable to property exploration	29,057	(118,077)
Shares issued for exploration and evaluation property	5,000	-
Shares issued for debt	175,000	-

The notes to the financial statements are an integral part of these consolidated financial statements.

Minfocus Exploration Corp.

Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars - unaudited)

	Number of Shares	Issued Capital	Equity Reserve	Deficit	Total
Balance, February 28, 2015	43,920,592	$ 6,002,245	$320,106	$ (5,212,167)	$ 1,110,184
Private placements, net of costs (Note 8(b)(ii))	920,000	44,000	-	-	44,000
Warrants issued (Note 8(b)(ii))	-	(2,696)	2,696	-	-
Shares issued for exploration and evaluation property (Note 8(b)(i))	100,000	5,000	-	-	5,000
Shares issued for debt (Note 8(b)(iii))	3,500,000	175,000	-	-	175,000
Net loss and comprehensive loss for the period	-	-	-	(106,537)	(106,537)
Balance, November 30, 2015	48,440,592	$ 6,223,549	$322,802	$ (5,318,704)	$ 1,227,647
Balance, February 28, 2014	42,420,592	$ 5,969,245	$ 370,260	$ (4,748,781)	$ 1,590,724
Shares issued for exploration and evaluation property (Note 8(b)(i))	400,000	8,000	-	-	8,000
Net loss and comprehensive loss for the period	-	-	-	(467,550)	(467,550)
Balance, November 30, 2014	42,870,592	$ 5,979,745	$370,260	$ (5,216,331)	$ 1,133,674

The notes to the consolidated financial statements are an integral part of these statements.

1. Nature of operations and going concern

Minfocus Exploration Corp. ("Minfocus Exploration" or the "Company") was incorporated under the British Columbia Business Corporations Act on May 6, 2010. The Company completed its Initial Public Offering ("IPO") on October 19, 2010 and its shares were listed on the TSX Venture Exchange ("Exchange") on October 21, 2010. The Company is principally engaged in the business of exploring and developing base and precious metal mineral properties. Substantially all of the efforts of the Company are devoted to these business activities and to date the Company has not earned significant revenues. The head office of the Company is located at 300 New Toronto Street, Suite 2, Toronto, Ontario, M8V 2E8.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

These consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business.

As at November 30, 2015 the Company has not earned revenue and has an accumulated deficit of $5,318,704. As at November 30, 2015, the Company had available cash of $427 and a working capital deficit of $288,629. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material.

2. Summary of significant accounting policies

(a) Statement of compliance

The consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended February 28, 2015. However, this interim financial report provides selected significant disclosures that are required in the annual financial statements under IFRS.

(b) Basis of presentation and consolidation

The consolidated financial statements have been prepared on the historical cost basis, except for cash equivalents which are reflected at fair value as set out in the accounting policies below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. Summary of significant accounting policies (Continued)

(b) Basis of presentation and consolidation (Continued)

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries Minfocus International Inc. ("Minfocus International") and 2244223 Ontario Inc. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

(c) New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after March 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

3. Critical judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

3. Critical judgements and estimation uncertainties (Continued)

Capitalization of exploration and evaluation expenditures

Management has determined that exploration and evaluation expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 7 for details of capitalized exploration and evaluation expenditures.

Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Estimation of decommissioning and restoration costs and the timing of expenditures

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

4. Capital management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of platinum and palladium resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity, which comprises issued capital, equity reserve and accumulated deficit, which totaled $1,227,647 at November 30, 2015 and $1,110,184 at February 28, 2015,

The Company invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with select major Canadian financial institutions.

The Company is currently attempting to identify an economic copper, nickel, platinum and palladium resource and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by maintaining a liquidity cushion in order to address any potential disruptions or industry downturns, minimizing discretionary disbursements; and exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties if the Company believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no significant changes in the Company's approach to capital management during fiscal 2015 and 2014. The Company is not subject to any material externally imposed capital requirements or covenants.

5. Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes in the risks, objectives, policies and procedures from the previous year.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at November 30, 2015, the Company had an available cash balance of $427 to settle current liabilities of $299,681. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has no other contractual obligations other than trade and other payables. As discussed in Note 1, the Company's ability to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

5. Financial risk factors (Continued)

Market risk

Interest rate risk
The Company has cash balances and no arm's-length interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest bearing accounts of select major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and all expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal.

Commodity price risk
The Company is exposed to price risk with respect to market prices of base metals and precious metals, particularly zinc, lead, nickel, platinum and palladium. Commodity price risk is defined as the potentially adverse impact on earnings and economic valuations of the Company's mineral assets due price movements and volatilities of these commodities. The Company closely monitors the commodity prices relevant to the Company's mineral assets to determine appropriate courses of action to be taken by the Company.

Credit risk
Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised primarily of GST/HST receivable due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

Sensitivity analysis

As of November 30, 2015 and February 28, 2015, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short-term nature. Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material movements for the period ended November 30, 2015 as a result of changes in interest and foreign exchange rates.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of base and precious metals, particularly zinc, lead, nickel, platinum and palladium. The prices of these metals have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of base and precious metals, particularly zinc, lead, nickel, platinum and palladium may be produced in the future, a profitable market will exist for them. As of November 30, 2015 and February 28, 2015, the Company was not a producer of any metals. As a result, base and precious metals, particularly zinc, lead, nickel, platinum and palladium price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

6. Equipment

November 30, 2015	Cost	Accumulated Depreciation	Net Book Value
Exploration and evaluation equipment	$ 36,617	$ 19,990	$ 16,628

February 28, 2015	Cost	Accumulated Depreciation	Net Book Value
Exploration and evaluation equipment	$ 36,617	$ 17,055	$ 19,562

(Expressed in Canadian Dollars - unaudited)

7. Interest in exploration properties and exploration and evaluation expenditures

	Nipigon Reefs	Coral	Myst Metals	Chief Peter	Total
NOVEMBER 30, 2015					
Acquisition costs					
Balance, February 28, 2015	$ 238,675	$ -	$ 12,000	$ -	$ 250,675
Acquisition and staking costs	-	-	5,000	-	5,000
Balance, November 30, 2015	238,675	-	17,000	-	255,675
Exploration expenditures					
Balance, February 28, 2015	1,156,455	-	3,417	-	1,159,872
Assays	-	518	381	-	899
Consultants	-	18,867	3,091	-	21,958
Equipment rental	2,700	240	-	-	2,940
Drilling	-	12,544	-	-	12,544
Supervision	-	15,575	4,750	-	20,325
Supplies	-	737	-	-	737
Travel	-	21,223	3,475	-	24,698
Balance, November 30, 2015	1,159,155	69,704	15,114	-	1,243,973
Balance, November 30, 2015	**$ 1,397,830**	**$ 69,704**	**$ 32,114**	**$ -**	**$ 1,499,648**
FEBRUARY 28, 2015					
Acquisition costs					
Balance, February 28, 2014	$ 218,675	$ -	$ -	$ 101,540	$ 320,215
Acquisition and staking costs	20,000	-	12,000	8,000	40,000
Balance, February 28, 2015	238,675	-	12,000	109,540	360,215
Exploration expenditures					
Balance, February 28, 2014	1,135,575	-	-	250,631	1,386,206
Equipment rental	3,600	-	-	-	3,600
Supervision	9,579	-	-	(1,204)	8,375
Supplies	1,011	-	-	31	1,042
Travel	6,690	-	-	-	6,690
PIED payments	-	-	3,417	-	3,417
Balance, February 28, 2015	1,156,455	-	3,417	249,458	1,409,330
Write-off of properties	-	-	-	(358,998)	(358,998)
Balance, February 28, 2015	**$ 1,395,130**	**$ -**	**$ 15,417**	**$ -**	**$ 1,410,547**

(Expressed in Canadian Dollars - unaudited)

7. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Nipigon Reefs Property, Ontario

The Nipigon Reefs Property is an exploration project in the Thunder Bay Mining Division of Northwestern Ontario. The property comprises the claims previously referred to as the Springlet Lake Prospect plus the Seagull North Prospect, which was optioned, and additional unpatented claims that were subsequently staked for the Company. All unpatented claims are subject to minimum annual work commitments of $400/unit and if those work commitments are not met, these claims will begin to expire August 8, 2015. In March 2015 a Notice of Release of Claims was issued to the vendors by the Company which released its interest in 23 of the optioned claims, reducing the minimum annual work commitments to approximately $234,000 thereafter. The optioned claims are also subject to work and payment commitments to the vendors: Black Panther Mining Corp., Rainy Mountain Royalty Corp. and White Metal Resources (formerly Trillium North Minerals Ltd.) as shown in the table below in order to earn the initial 55% interest in the mineral rights.

February 22, 2011	Contract signed.	Completed
by February 28, 2011	Aggregate cash payments of $55,000 (paid) and issuance of 100,000 common shares (issued and valued at $20,000).	Completed
by February 22, 2012 (amended below)	Consideration that is the equivalent to $25,000 in cash and/or shares of the Company (paid in shares); and incur an aggregate of $250,000 of expenditures (amended below).	Completed
by April 30, 2012	Minimum commitment to incur $250,000 of aggregate expenditures per above extended from February 22, 2012 to April 30, 2012 (incurred).	Completed
by February 22, 2013	Consideration that is the equivalent of $25,000 cash and/or shares (paid $12,500 and issued 416,667 shares) of the Company; and incur an additional $250,000 of expenditures (incurred).	Completed
by February 22, 2014 (amended below)	Consideration that is the equivalent of $25,000 cash and/or shares of the Company (paid in shares); and incur an additional $250,000 of expenditures (amended below).	Completed
by August 31, 2014	Commitment to incur an additional $250,000 of expenditures per above extended from February 22, 2014 to August 31, 2014.	Completed
by February 22, 2015 (amended below)	Commitment to incur an additional $250,000 of expenditures by February 22, 2015 extended to September 30, 2015. As consideration for the extension, the Company issued 1,000,000 common shares to the optionors.	Common shares issued for extension of expenditure commitment – completed; Expenditure commitment – pending (see below)
by September 30, 2015	Incur an additional $250,000 of expenditures as extended from February 22, 2015 above.	Pending

If the Company incurs a cumulative expenditure balance of $3,000,000 and issues an additional 1,000,000 shares to the optionors before September 30, 2016, it may earn a 70% undivided interest in the mineral rights. Thereafter each optioner has the right to contribute its proportion of ongoing expenditures or forfeit its proportionate interest and convert to a one percent royalty, which royalty may be purchased by the Company under certain conditions.

(Expressed in Canadian Dollars - unaudited)

7. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Coral Zinc Project, British Columbia

In January 2015, the Company entered into an agreement under the terms of which it has an option to earn up to an initial 60% interest in the Coral Zinc Project, a zinc project situated in northeastern British Columbia. The optioned claims are also subject to work and payment commitments to the vendors as shown in the table below in order to earn the initial 60% interest in the mineral rights. Two of the optionors are directors and officers of the Company (See Note 10(e) below).

January 19, 2015	Contract signed.	Completed
by September 30, 2015	Commitment to incur $50,000 of expenditures.	Completed
by September 30, 2016	Commitment to incur an additional $100,000 of expenditures.	Pending
by September 30, 2017	Commitment to incur an additional $300,000 of expenditures and pay the optionors consideration that is the equivalent of $20,000 cash and/or shares, at which stage the Company will be deemed to have earned a 20% interest.	Pending
by September 30, 2018	Commitment to incur an additional $550,000 of expenditures and pay the optionors consideration that is the equivalent of $40,000 cash and/or shares, at which stage the Company will be deemed to have earned a 40% interest.	Pending
by September 30, 2019	Commitment to incur an additional $1,000,000 of expenditures and pay the optionors consideration that is the equivalent of $100,000 cash and/or shares, at which stage the Company will be deemed to have earned a 60% interest.	Pending

After the Company has earned the initial 60% interest, should the optionors not contribute their full pro-rata share of any work program expenditures, the Company can earn an additional 10% interest by expending an additional $1,000,000 within two years thereafter. The project is subject to a 3% net smelter royalty of which 2% can be bought for $4,000,000.

The company has pledged a $5,000 GIC as security under a Safekeeping Agreement with the Ministry of Finance, British Columbia relating to the application for permits on the Coral Zinc Project.

Myst Metals Property, British Columbia

In October 2014, the Company entered into a letter of agreement under the terms of which it has an option to earn a 100% interest in the Myst Metals Property, a nickel project situated in northern British Columbia. To earn the interest, the Company is required to make cash payments of $7,000 (paid) and issue 400,000 shares to the optionor over a period of two years (200,000 issued). In addition, the Company is required to have completed and filed sufficient work on the property to maintain the tenure in good standing until May 2018. The work was completed in the period ending August 31, 2015. The optionor would retain a 2% net smelter royalty on production from the property.

Chief Peter Property, Ontario

The Chief Peter Property is an exploration project in the Thunder Bay Mining Division of Northwestern Ontario. Minimum work commitments of at least $400/unit were to be met before March 21, 2015 to prevent the claims from expiring. The terms of an option agreement entered into in 2011 were such that the Company could earn a 100% interest in the property by making cash payments of $140,000 and issuing 600,000 shares to the optionors and incurring $200,800 in exploration expenditures over a period of four years. As the Company failed to make a payment to the optionors due on August 27, 2014, the Company was required to issue 400,000 shares to the optionors. The option agreement terminated effective that date and the accumulated costs related to the property were written off in the year ended February 28, 2015.

(Expressed in Canadian Dollars - unaudited)

8. Share capital

Common Shares

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

	Number of Shares		Amount
Balance, February 28, 2014	42,420,592	$	5,969,245
Shares issued for interest in exploration properties (i)	1,500,000		33,000
Balance, February 28, 2015	43,920,592	$	6,002,245
Shares issued for interest in exploration properties (i)	100,000		5,000
Private placement, net of costs (ii)	920,000		44,000
Warrants issued (ii)	-		(2,696)
Shares issued for debt (iii)	3,500,000		175,000
Balance, November 30, 2015	48,440,592	$	6,223,549

(i) The Company issued 1,500,000 shares for interests in exploration and evaluation properties during the year ended February 28, 2015 – 100,000 shares were issued in connection with the Myst Metals option agreement, 400,000 in connection with the Chief Peter option agreement, and 1,000,000 in connection with the Nipigon Reefs Option agreement. The Company issued an additional 100,000 shares in connection with the Myst Metals option agreement in the period ending November 30, 2015. The value of shares issued was based on the price of the shares issued in arm's length private placement financings or at the quoted trading values of the Company's shares at the date of issue.

(ii) In April 2015, the company raised $46,000 by way of a private placement through the issuance of 920,000 units at $0.05 per unit, comprising 500,000 flow-through units and 420,000 non flow-through units. Each unit comprised one share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 per share for a period of eighteen months from the date of closing of the private placement. The grant date fair value of the warrants was estimated at $2,696 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 105%; risk-free interest rate of 0.41% and an expected average life of 18 months. The company paid a finder's fee of $2,000 in relation to the financing. A director who is also an officer of the Company subscribed for a total of 220,000 units. Pursuant to this financing, the Company will renounce a total of $25,000 of qualifying Canadian Exploration Expenses with an effective date of December 31, 2015. The Company will be required to incur these expenditures prior to December 31, 2016.

(iii) The Company issued 3,500,000 shares in October 2015 at $0.05 per share to settle debt of $175,000 owed to a director and officer of the Company (See Note 10(c)).

Stock Options

On June 30, 2010, the directors of the Company consented to adopt a Company Share Option Plan (the "Plan"). The Plan provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares outstanding at any time. Such options may be exercisable for a period of up

(Expressed in Canadian Dollars - unaudited)

8. Share capital (Continued)

Stock Options (Continued)

to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. The approval of the plan is subject to approval by the Exchange and the Company's shareholders.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at February 28, 2014	3,300,000	$0.18
Expired	(275,000)	0.10
Outstanding at February 28, 2015 and November 30, 2015	3,025,000	$0.19

The following table summarizes information about stock options outstanding and exercisable at November 30, 2015:

Number of Options	Exercise Price	Expiry Date	Number of Exercisable Options
75,000 (i)	$0.20	December 13, 2015	75,000
1,500,000	$0.25	January 27, 2017	1,500,000
250,000	$0.25	January 30, 2017	250,000
1,200,000	$0.10	March 18, 2018	1,200,000
3,025,000			3,025,000

(i) Expired unexercised on December 13, 2015

Warrants

	Number of Warrants	Weighted Average Exercise Price
Outstanding at February 28, 2014	550,000	$ 0.10
Issued	460,000	$ 0.10
Outstanding at February 28, 2015	1,010,000	$ 0.10
Expired	(550,000)	$ 0.10
Outstanding at November 30, 2015	460,000	$0.10

(Expressed in Canadian Dollars - unaudited)

8. Share capital (Continued)

Warrants (Continued)

The following table summarizes information about warrants outstanding and exercisable at November 30, 2015:

Number of Warrants	Exercise Price	Expiry Date	Number of Exercisable Warrants
460,000	$0.10	October 14, 2016	460,000

9. Basic and diluted net loss per share

The calculation of basic and diluted loss per share for the quarter ended November 30, 2015 was based on the loss attributable to common shareholders of $106,537 (2014 - $467,550) and the weighted average number of common shares outstanding of 45,130,410 (2014 – 42,558,774). Outstanding warrants and stock options have been excluded from the calculation of diluted loss per share for the periods presented as their effect would be anti-dilutive.

10. Related party balances and transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company entered into the following transactions with related parties:

(a) During the period ended November 30, 2015, private corporations controlled by directors who are also officers of the Company charged the Company $9,000 (2014 - $27,000) in management fees related to the provision of office space and administrative support.

(b) Officers and directors of the Company and companies controlled by such individuals were owed $211,347 as at November 30, 2015 (February 28, 2015 – $147,703) for services rendered and for expenses incurred in the ordinary course of business. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

(c) The Company settled $175,000 of debt owing to a director who is also an officer of the Company pursuant to a loan agreement dated September 19, 2013, as amended, in October 2015. The balance owing under the agreement at November 30, 2015 amounted to $7,463 (February 28, 2015 - $118,829). The loan, which is unsecured, bears interest at the Royal Bank of Canada prime rate plus 4% and is repayable on demand.

(d) In January 2015, the Company entered into an option agreement allowing it to acquire up to a 70% interest in the Coral Zinc Project as discussed in Note 7 above. Two of the optionors, who together have a 50% interest in the claims ownership, are directors and officers of the Company.

(e) Pursuant to the private placement described in Note 8(b)(ii), a director who is also an officer of the Company subscribed for an aggregate of 220,000 units for gross proceeds of $11,000.

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key management of the Company was as follows.

For the periods ended November 30, 2015 and 2014	**2015**	**2014**
Aggregate compensation - cash	$ 18,000	$ 40,750

11. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. Substantially all of the operating costs for the periods ended November 30, 2015 and 2014 were incurred in Canada and all of the assets as at February 28, 2015 and November 30, 2015 were located in Canada.

12. Commitments and contingencies

Environmental contingencies

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow through financing

The Company entered into flow-through share subscription agreements during the period ended November 30, 2015, whereby it renounced to investors a total of $25,000 of qualifying Canadian Exploration Expenses as described in the Income Tax Act of Canada, with an effective date of December 31, 2015. The Company is committed to incur the expenditures on or before December 31, 2016.

The Company has indemnified the subscribers of flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

Management and consulting contracts

The Company is party to certain management and consulting contracts. During the current fiscal period, certain parties under the management and consulting contracts agreed to reduced salaries and to not receive salaries until further significant financing is obtained, with future salaries and other amounts to be negotiated at that stage. Minimum commitments under management and consulting contracts are approximately $120,000 payable within one year. The contracts also require that additional payments of up to $113,200 be made, based on the reduced contract amounts, upon the occurrence of certain events such as change of control. As a determinable triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

13. Approval of the consolidated financial statements

The consolidated interim financial statements of the Company for the period ended November 30, 2015 were approved and authorized for issue by the Board of Directors on January 26, 2016.